



Signed and Filed: September 21, 2021

Dennis Montali

DENNIS MONTALI
U.S. Bankruptcy Judge

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF CALIFORNIA

In re:) Bankruptcy Case
PG&E CORPORATION,) No. 19-30088-DM
- and -) Chapter 11
PACIFIC GAS AND ELECTRIC COMPANY,) Jointly Administered
Reorganized Debtors.)
☐ Affects PG&E Corporation)
☐ Affects Pacific Gas and)
Electric Company)
☒ Affects both Debtors)
* All papers shall be filed in)
the Lead Case, No. 19-30088 (DM).)

ORDER DISALLOWING PROOF OF CLAIM # 87136
FILED BY SANDRA PEDROIA

I. INTRODUCTION

Ms. Sandra Pedroia filed proof of claim # 87136 (the "Claim") on October 23, 2019 in the amount of \$250,000.

Subsequently she informally indicated amendments to the Claim and presently asserts it in the amount of \$1,000,000.

1 On July 9, 2021, the Reorganized Debtors ("Debtors") filed
2 their *Objection to Proof of Claim Number 87136, Filed by Sandra*
3 *Pedroia* ("Objection") (Dkt. 10903), alleging that the events
4 complained of by Ms. Pedroia occurred in 2011, but Ms. Pedroia
5 never filed suit within California's three-year statute of
6 limitations which expired well before the January 29, 2019,
7 petition date.

8 For the reasons discussed below, the court sustains the
9 Objection and disallows the Claim in its entirety.

10 **II. DISCUSSION**

11 In February, 2011, Ms. Pedroia notified Pacific Gas &
12 Electric Company ("PG&E") that her home water line in San
13 Francisco, California was leaking as a result of its gas line
14 replacement project around that time. PG&E (and PG&E
15 Corporation) never admitted liability, but it tendered three
16 payments of \$3,200, \$1,000 (that was rejected by Ms. Pedroia)
17 and \$6,200. The following year, 2012, Ms. Pedroia alleged
18 additional damage to her stair rail and sidewalk. PG&E tendered
19 \$2,000 and thereafter an additional \$3,000 to a replacement
20 contractor Ms. Pedroia had selected. That repair work was not
21 done to her satisfaction and she terminated that contractor in
22 2013. Apparently, Debtors did nothing after that.

23 Ms. Pedroia did not commence legal action in any court at
24 any time. Following Debtors' bankruptcy on January 29, 2019,
25 she filed the Claim.

26 Before objecting to the Claim, Debtors requested, and Ms.
27 Pedroia agreed, to refer this dispute to the court's Abbreviated
28 Mediation Procedures (*See Order Approving ADR and Related*

1 *Procedures for Resolving General Claims* (Dkt. 9148)). The
2 mediation was initially set for February 25, 2021 and thereafter
3 continued at Ms. Pedroia's request to March 17, 2021. Debtors
4 appeared and were prepared to proceed with that mediation but
5 Ms. Pedroia did not participate.

6 On May 20, 2021, Debtors' filed their *Eighty-Fifth*
7 *Omnibus Objection to Claims (ADR No Liability Claims)* (Dkt.
8 10691) to disallow and expunge the Claim because Ms. Pedroia did
9 not appear at the scheduled mediation.

10 At the hearing on June 30, 2021, on the Eighty-Fifth
11 Omnibus Objection, the court asked Ms. Pedroia why she declined
12 to participate in the mediation. She responded:

13 "As I wrote in my email, which you didn't look
14 at, the man was from -- he was an innocent mediator.
15 He didn't have any kind of background, influence, or
16 experience with corporations like Pacific Gas &
17 Electric, plus he wanted me to be, like, submissive to
Pacific Gas & Electric. Well, I can't. I'm not at
fault. I'm the victim here.

18 So people who go to mediation are usually on the
19 borderline of being at fault, and that's why they
20 mediate back and forth, back and forth. In my case,
21 I'm a victim. I'm one hundred percent innocent, so I
22 shouldn't have to wheel and deal with someone who
23 doesn't know what they're doing, who doesn't have
experience with corporations like Pacific Gas &
Electric, and expects (sic) me to be submissive to
Pacific Gas & Electric when they damaged our home.
That's why I didn't do it."

24 See Transcript of June 30, 2021 hearing, Dkt. 10885, at pg. 48,
25 line 19 to pg. 49, line 7.

26 Debtors requested the court to disallow the Claim based
27 upon her refusal to proceed with the mediation. The court
28

1 declined for reasons stated on the record, and ordered Debtors
2 to initiate a formal objection to the Claim.

3 Debtors thereafter filed their Objection (Dkt. 10903). Ms.
4 Pedroia did not timely respond and Debtors continued their
5 Objection from August 10 to August 25, 2021. The court then
6 issued the August 10, 2021 *Order Regarding Hearing on*
7 *Reorganized Debtors' Objection to Proof of Claim #87136 Filed by*
8 *Sandra Pedroia* (Dkt. 11043) and set the matter for hearing on
9 September 14, 2021. In that order, the court reminded Ms.
10 Pedroia that the sole reason for the Objection was Debtors'
11 contention that any claim she may have arising out of the events
12 of 2011 through 2013 would be barred by the three-year statute
13 of limitations of Cal. Code of Civ. Proc. § 338(b). It
14 cautioned Ms. Pedroia that the objection would be sustained
15 unless she was able to provide a satisfactory explanation to
16 avoid the statute of limitations defense raised by Debtors.

17 Ms. Pedroia, with the assistance of her daughter, responded
18 informally in an email to the court dated September 6, 2021,
19 (Dkt. 11193), but did not address specifically, or even
20 generally as a lay person, the merits of the statute of
21 limitations presented by Debtors. She also did not appear at
22 the September 14, 2021, hearing that was conducted
23 telephonically.

24 Claims arising out of property damages are governed by
25 California's three-year limitations. *Angeles Chem. Co. v.*
26 *Spencer & Jones*, 44 Cal. App. 4th 112, 119 (1996). Further,
27 Bankruptcy Code section 502(b)(1) (11 U.S.C. § 502(b)) provides
28 that a claim may be disallowed if it is unenforceable under

1 applicable non-bankruptcy law, including being barred by the
2 applicable statute of limitations. See *Mesa Pines Homeowner's*
3 *Assoc. v. Paterno (In re Paterno)*, No. SC-14-1189-KuJuKi, 2015
4 Bankr. LEXIS 580, at *9 (9th Cir. BAP Feb. 20, 2015) (citing
5 *Durkin v. Benedor Corp. (In re G.I. Indus., Inc.)*, 204 F.3d
6 1276, 1281 (9th Cir. 2000)). The filing of the Chapter 11 Cases
7 does not revive claims that were time-barred on the Petition
8 Date. "When the statute of limitations on a claim has expired
9 prior to the filing of the bankruptcy, that claim is barred from
10 recovery in the bankruptcy case." *In re Johnson*, Case No. 11-
11 18629-GM, 2015 Bankr. LEXIS 52, at *17 (Bankr. C.D. Cal. Jan. 7,
12 2015) (citing *Banks v. Gill Distribution Centers, Inc. (In re*
13 *Banks)*, 263 F.3d 862 (9th Cir. 2001)).

14 These are well-settled principles that all persons,
15 including pro se litigants, must be held to. There is simply no
16 room to debate that. Absent some affirmative defense, Ms.
17 Pedroia is bound by them.

18 For the foregoing reason, Debtors' Objection to the Claim
19 is well taken and must be sustained. The court regrets that Ms.
20 Pedroia passed up the opportunity to mediate to a better
21 outcome, particularly at a time years and years after her claims
22 appeared barred by the statute of limitations. Her assumed
23 conclusions about the mediator and his predilections were
24 unfounded, and while a negotiated outcome might not have been
25 attained, the Debtors were there to try. It is regrettable that
26 Ms. Pedroia chose not to be there. Unfortunately, as innocent
27 as she was for what happened at her home eleven years ago, she
28 must now accept the consequence of her decisions this year.

1 **III. CONCLUSION**

2 For the foregoing reasons, Claim # 87136, filed in the
3 original amount of \$250,000, and thereafter informally amended
4 up to \$1,000,000, is DISALLOWED in its entirety.

5 ****END OF ORDER****

COURT SERVICE LIST

Sandra Pedroia
801 Athens St.
San Francisco, CA 94112-3811